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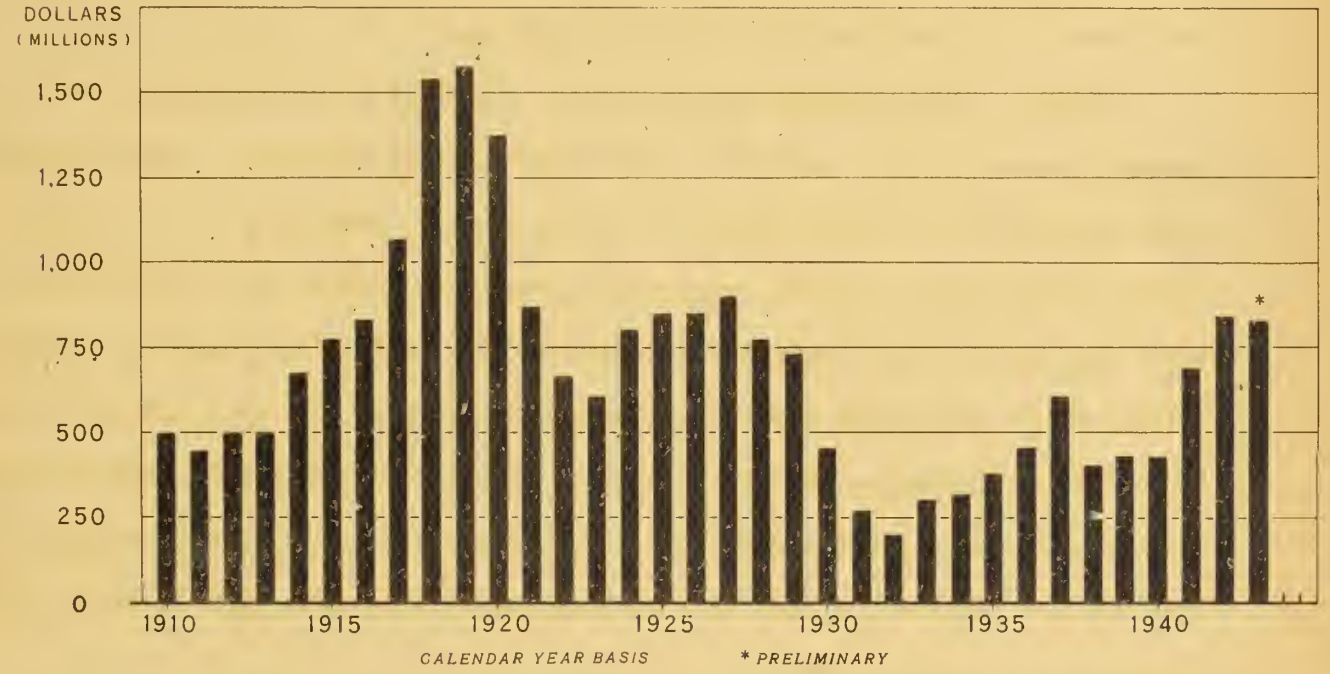
THE Wheat SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

WS-80 · BAE · MARCH-APRIL 1944

WHEAT: CASH FARM INCOME, UNITED STATES, 1910-43



U. S. DEPARTMENT OF AGRICULTURE NEG 38046 BUREAU OF AGRICULTURAL ECONOMICS

Cash income received by wheat growers in 1943 was only slightly smaller than in 1942, the largest since 1927. Wheat prices in 1943 were up sufficiently to almost offset the greatly reduced sales. Although the quantity sold was considerably below that of 1942, it was above the 20-year (1922-41) average of 619 million bushels.

THE WHEAT SITUATION
Including Rye

Summary

March 1 intentions indicate growers plan to seed 19.8 million acres of spring wheat in 1944, which is 15 percent above the 17.3 million acres seeded last year. This acreage combined with that of winter wheat reported in December is 66.9 million acres — 21 percent above last year's acreage, and close to the national goal of 67.0 million.

Winter precipitation has materially improved yield prospects, and acreage losses are now less than were expected last December. Subsoil moisture reserves as of early March in western Kansas, Nebraska, and the Plains spring wheat areas, however, were insufficient to insure a good crop unless more than usual precipitation occurs during the rest of the season. Assuming spring wheat yields per seeded acre equal to those of the post-drought years 1937-41, and including the estimate made last December for 1944 winter wheat production, the indicated 1944 all wheat production would be approximately 750 million bushels. A crop of this size would only take care of food, normal feeding and normal exports.

The carry-over of old wheat on July 1, 1944, is expected to be about 300 million bushels. This is based on an expected total disappearance of about 1,260 million bushels -- the largest in our history. Disappearance in 1944-45 will not be as large. Even if imports are materially increased above the estimated 125 million bushels during the current year, feeding will necessarily be curtailed to at least half of what it is in 1943-44, and it may be necessary also to reduce the use of wheat in the manufacture of alcohol, if we

do not want our carry-over on July 1, 1945 to drop below a desirable level. Exports are largely in the form of flour, and it is for this reason that we will continue to have sizable export commitments, even though we are on a net import basis. It is expected that flour mills in Canada and the United States will be called upon to operate to their maximum capacity.

The very large demands for wheat in the United States and the reduction in reserve stocks has caused wheat prices in 1943-44 to advance to the highest levels in 18 years. With continued large consumption and even smaller supplie in prospect, it is to be expected that domestic wheat prices in 1944-45 will continue at high levels.

Wheat stocks in the four major exporting countries -- Canada, Argentina, Australia, and the United States -- on July 1, 1944 are now expected to total about 1,250 million bushels, which compares with 1,750 million record in 1943 and the 10-year (1933-42) average of 729 million. Of the total stocks of 1,250 million bushels, fully 820 may be considered available for export during 1944-45. There would also be the new-crop surpluses available from the 1944 harvests.

Wheat prices generally continue at or near ceiling levels, and there is nothing in the outlook which would cause much change in the next month or so. The upper price limit is set by ceiling levels. A large crop, which would depress prices, while still possible, is not considered likely.

Rye disappearance in 1943-44, estimated at about 53 million bushels, is the largest on record, made up approximately as follows, in million bushels: 11-1/2 for food, 26 for feed, 7-1/2 for seed, and 8 for alcohol.

-- March 31, 1944

THE OUTLOOK FOR THE 1944 WHEAT CROP

BACKGROUND.- In the 10-year period 1932-41, the annual carry-over of old wheat in the United States averaged about 235 million bushels, production averaged 738 million, and domestic disappearance 677 million, of which food was 479, feed 117, and seed 81.

Large world crops and restricted trade resulted in the largest world wheat supplies on record in the period 1938-43. The blockade and other war conditions reduced world exports of wheat and flour to below 400 million bushels in 1941-42 and 1942-43 compared with 465 million bushels in 1940-41, 625 million in 1939-40, and 638 million in 1938-39. It is estimated that world exports of wheat and flour in 1942-43 were the smallest since the late 1880's.

Indicated 1944 Acreage Close to Goal; Total Crop May Approximate 750 Million Bushels

March 1 reports from growers indicate they plan to seed 19.8 million acres of spring wheat, which is 15 percent above the 17.3 million acres seeded last year, and is nearly equal to the 10-year (1933-42) average of 20.1 million acres. The total of this acreage and that of winter reported last December is 66.9 million acres, 21 percent above last year's seeded acreage and the largest since 1938 (table 1). The total acreage is only slightly under the national goal of 67.0 million acres.

The indicated acreage of spring wheat other than durum is 17.5 million acres -- 16.3 percent above the 15.1 million acres seeded in 1943 and 2 percent above the 10-year (1933-42) average of 17.2 million acres. The expansion in acreage is centered in the intensive hard red spring wheat States -- Minnesota, North Dakota, South Dakota, and Montana (table 3), and also in Colorado. Except for a moderate increase in Idaho, the spring wheat acreage is not expected to increase in the Pacific Northwest, where the winter wheat acreage was substantially increased and where winter losses have so far been light. The indicated acreage of durum is 2.3 million acres, 3.1 percent above the 1943 acreage (table 3), and 23 percent below the 10-year (1933-42) average. While the increase in durum wheat is not large, if yields are fairly normal, supplies will be fully adequate to meet domestic requirements for this type of wheat.

Winter precipitation has materially improved yield prospects, and acreag losses are now less than were expected last December. Subsoil moisture reserve in early March in western Kansas, Nebraska, and the Plains spring wheat areas, however, were insufficient to insure a good crop unless more than usual precipitation occurs during the rest of the season. Assuming spring wheat yields per seeded acre equal to those of the post-drought years 1937-41, by States, and including the estimate made last December for 1944 winter wheat production, the indicated 1944 all wheat production would be approximately 750 million bushels. The next crop report covering winter wheat will be released April 10.

Disappearance in 1944-45 Will be Less Than in 1943-44; Prices Expected to Continue at High Levels

A crop of 750 million bushels would take care of food, seed, normal feeding and normal exports. Continuation of above average feeding, using wheat for industrial alcohol production, and large lend-lease commitments, however, would necessitate large imports if we do not want our carry-over July 1, 1945 to drop below a desirable level. It is expected that imports in 1944-45 will be substantially above an estimated 125 million bushels during the current year. This would permit continued very large feeding (although probably less than half of that in 1943-44), the use of wheat for industrial alcohol (also on a reduced scale), and substantial exports. The actual quanti ty of imports will depend upon a number of factors, including the outcome of our crop and the Canadian crop, shipping conditions and price.

The carry-over of old wheat July 1, 1944, is expected to be about 300 million bushels. This is based on an expected total disappearance of about 1,260 million bushels, the largest in our history. This is broken down approximately as follows, in million bushels: Food 540, feed 470, seed 80, alcohol 110, and exports 50.

The sale of wheat for feed by the Commodity Credit Corporation has been reduced in recent months. 1/ With a continuation of the allocation plan 2/, wheat for feed will be distributed equitably depending on actual needs. The bringing in of wheat from Canada will be augmented soon with the opening of navigation, and it will be possible for CCC to build up a reserve. The quanti ty of wheat sales by CCC largely determines the magnitude of feeding. The quantity fed on farms where grown probably will be below the 10-year average of 117 million bushels, because of the opportunity to sell at favorable market prices. However, some wheat for feed will be purchased at full market price. Considerable effort has been directed toward the use of materials other than wheat in the making of alcohol. Exports are largely in the form of flour, and it is for this reason that we will continue to have sizable export commitments even though we are on a net import basis.

The very large demands for wheat in the United States, together with the reduction in reserve stocks, have caused wheat prices at local markets in 1943-44 to advance to the highest levels in 18 years. With continued large consumption, and the prospect of even smaller supplies, it is to be expected that domestic wheat prices in 1944-45 will continue at high levels.

Quantities of Old-Crop Wheat Available for Export in Four Exporting Countries July 1, 1944, Expected to be about 820 Million Bushels

Wheat stocks in the four major exporting countries -- Canada, Argentina, Australia, and the United States -- on July 1, 1944 are now expected to total

1/ The Wheat Situation, January-February 1944, page 6.
2/ See page 11.

about 1,250 million bushels. This compares with 1,750 million-bushel record in 1943 and the 10-year (1933-42) average of 729 million. Of the total stocks of 1,250 million bushels, fully 820 may be considered available for export during 1944-45 in addition to the new-crop surpluses from the 1944 harvests. In arriving at the quantities available for export, allowance was made for domestic requirements in the three countries — Canada, Argentina, and Australia, for the remainder of the season until their new harvests — together with an allowance for year-end stocks. It is expected that the August 1, 1944 carry-over of old wheat in Canada will be nearly 400 million bushels, as compared with 601 million a year earlier. This would be larger than the July 1, 1944 carry-over in the United States.

The Winter Wheat Crop in Europe Mostly Favorable; Acreage in Argentina and Australia expected to be Increased

Reports of the winter wheat crop in Europe are mostly favorable, with winter-kill believed to be below normal. Prospects in Spain and Portugal continue below normal, however, reflecting drought conditions. In the Danubian countries the crop is well rooted and little winter damage is reported.

The acreage of wheat in both Argentina and Australia is expected to be increased this year according to trade and unofficial sources. Soil conditions are favorable for plowing for the new crop in both of these countries in preparation for seeding in May and June.

The food situation in India has improved somewhat, as the result of imports of the new wheat crop. The second official estimate of the acreage seeded to wheat in India is 33,275,000 acres, compared with the revised second estimate of 34,324,000 acres in 1943. Trade estimates place the probable wheat crop of 1944 at about 396 million bushels, compared with 410 million in 1943 and 371 million the 1933-42 average.

THE CURRENT WHEAT SITUATION

BACKGROUND.- Ceiling prices for wheat, which became effective January 4, 1944, were at levels that reflected at least 100 percent of parity, without taking into consideration payments made under the Soil Conservation and Domestic Allotment Act. Sales of soft wheat had been placed under ceilings by Office of Price Administration on November 6, 1943. The action of January 4 expanded this control to cover all wheat, and revised the basis for the ceilings on soft wheat. The soft wheat price ceiling in the revised regulation is $1.71-7/8 a bushel for No. 2 Soft Red at St. Louis and Chicago, as compared with $1.65 in the original regulation issued in November. Other typical ceilings are as follows: $1.62 for No. 2 Hard Red Winter at Kansas City, $1.63-7/8 for No. 1 Dark Northern Spring at Minneapolis, and $1.58 for No. 1 Soft White at Portland. These prices include the usual commission charge of 1-1/2 cents a bushel, and customary trade practices are observed with regard to discounts and payments of premiums. The processing payment to millers enables the millers to pay as high as the ceiling prices for wheat, and at the same time sell flour for no more than the ceiling prices now in effect. These payments began December 1, 1943, and have been subsequently increased to compensate for advances in wheat prices.

Wheat Prices Generally at about Ceiling Levels; Current Price Levels Likely to Continue

Wheat continues to move into consumption generally at or near ceiling levels. Until recently, wheat of high protein was selling at below its ceiling premium level. At Kansas City such wheat is now at about the ceiling, but at Minneapolis, the price of such wheat, although advanced, is below the ceiling. However, during the past month, prices at Portland declined 3 cents and are now 10 cents under the ceiling. Weakness in wheat prices in the Pacific Northwest reflects suspended lend-lease buying.

The large current and prospective demand for wheat continues strong enough to offset the several factors which would ordinarily have a weakening influence on prices. In addition to the absence of Government buying of flour, these factors are: (1) Improved moisture conditions, (2) final agreement with Cuba for large purchases of industrial alcohol and black-strap molasses for the production of industrial alcohol in this country. This will reduce the quantity of wheat which would be needed for this purpose, and (3) some reduction in feeding prospects in the second half of the year, because of a reduction in the spring pig crop.

There continues to be nothing in the outlook which would cause much change in wheat prices in the next month or so. The upper price limit is set by ceiling levels, and a large crop, which would depress prices, while still possible, is not considered likely.

With market prices materially above loan values 3/, the quantity of wheat placed under loan has been light this year, and the subsequent redemptions have been heavy. The Commodity Credit Corporation reports that through March 18, loans had been completed on 130 million bushels of 1943 wheat, of which 45 million were stored on farms and 85 million in warehouses. On March 20, 1943, loans had been completed on 533 million bushels of the 1942 crop. Redemptions to March 18, 1944, totaled 82 million bushels, of which 14 million bushels were wheat stored on farms and 68 million in warehouses. On March 18, CCC owned 113 million bushels of wheat.

Allocation Plan for Feed Wheat Announced

An allocation plan designed to effect a more equitable distribution of feed wheat was announced by the War Food Administration on February 28. Feed wheat allocation certificates will be supplied by regional offices of Commodity Credit Corporation to eligible purchasers of feed wheat, on the basis of volume of 1943 sales and relative feed requirements and supplies available in the purchaser's area. Through the certificates, direct purchases may be made from the Corporation or from approved warehousemen, to whom CCC will furnish feed wheat.

It is planned that feed wheat is to be sold through grain distributors to carlot purchasers at the established county prices without the addition of any merchandising charges. Commodity Credit Corporation will allow stipulated

3/ Loan rates at important terminal markets are given in The Wheat Situation, issue of November-December 1943, page 4.

merchandising fees to distributors. To offset expense of the fees, the price of feed wheat will be increased 1 cent per bushel on all sales and shipments made on or after March 1, and until further notice. This action is expected to result in greater participation of the grain trade in the distribution of feed wheat, and more prompt filling of orders. Margins which local dealers may add are in accordance with those provided in Maximum Price Regulation 487, as revised, of January 4, 1944. 4/

Since the price was advanced in December, the price of feed wheat has remained unchanged until this announcement. While the price to distributors under this order is advanced 1 cent, it effects no increase to feeders, and in some cases there will be a slight reduction.

In the Buffalo area, the feed wheat price to distributors was advanced from $1.08 to $1.28 on December 6, and is now advanced further under this new program to $1.29. It is interesting in this connection to compare these prices with those of imported wheat at Buffalo, no duty paid. For No. 3 Canadian Spring Wheat, the Friday price nearest the middle of the month was as follows: November $1.24, December $1.34, January $1.38, February $1.36-1/2, and March $1.37-1/2.

Income Received by Wheat Growers in 1943 Only Slightly Below 1942 in Spite of Reduced Sales

Cash income received by wheat growers in 1943 was 825 million dollars, only slightly below the income of 837 million dollars in 1942, when the quantity of wheat sold was much larger. Prices in 1943 were up sufficiently to almost offset the reduction in sales. Although the quantity sold was considerably below that of 1942, it was 6 percent above the 20-year (1922-41) average.

Sales, average price per bushel, and cash income since 1930 are shown in table 5. These estimates include total receipts from the sale of wheat and from wheat placed under loan, but do not include Government payments in more recent years. These income estimates are computed from estimated sales in each month valued at the average price received by producers as of the 15th of the month, to which are added the returns from loans. When the wheat loans are redeemed and resold, growers are credited with any additional income above the cost of redeeming the loans. The calendar-year income is the sum of the monthly income for the 12 months. The United States estimate of income is the sum of the estimates for the various States.

4/ A local dealer selling whole feed wheat in bulk shall not charge a price in excess of the established county feed wheat price, plus 6 cents per bushel on sales of 100 bushels or more, but less than a carlot. One cent per bushel may be added if wheat is actually transferred through the dealer's warehouse. If wheat is sacked, a charge of not more than 3 cents per bushel may be added. Dealers may make a reasonable charge for furnishing sacks. When wheat is ground, costs not exceeding those approved by the Corporation for the area may be added.

The return in the hard red spring and durum States showed a larger increase compared with 1942 and 1941 than did the return in the States growing the other classes of wheat (table 6). The relatively favorable return in spring wheat States reflects favorable growing conditions on the whole, despite cool weather in the early spring. The spring crop was 10 percent larger than the exceptional crop in 1942. The winter wheat areas were not so fortunate. Damage from spring floods were severe in Ohio, Indiana, and Illinois, and excessive rainfall retarded growth of the crop in the eastern part of Kansas and in northern Oklahoma. Dry weather curtailed production somewhat in the western part of Kansas and in Texas.

Table 1.- Wheat: Acreage, yield per acre, and production, 1940-44 1/

Year of harvest	Acreage			Yield per seeded acre	Production
	Seeded	Harvested	Seeded but not harvested		
	1,000 acres	1,000 acres	1,000 acres	Bushels	1,000 bushels
			All wheat		
1940	61,610	52,988	8,622	13.2	813,305
1941	62,332	55,642	6,690	15.1	943,127
1942	52,227	49,200	3,027	18.7	974,176
1943	55,109	50,554	4,555	15.2	836,298
1944	66,932				(750,000)
			Winter		
1940	43,325	35,809	7,516	13.6	590,212
1941	45,671	39,485	6,186	14.7	670,709
1942	38,072	35,436	2,636	18.3	696,450
1943	37,834	33,952	3,882	14.0	529,606
1944	47,127			11.2	526,957
			Spring wheat		
1940	18,285	17,179	1,106	12.2	223,093
1941	16,661	16,157	504	16.4	272,418
1942	14,155	13,764	391	19.6	277,726
1943	17,275	16,602	673	17.8	306,692
1944	19,805				

1/ Data for earlier years as follows: 1919-28 in The Wheat Situation August 1942, pages, 11-13; 1929-41 in The Wheat Situation, March-April 1943, page. 10. Chart in The Wheat Situation, issue of January-February 1944.

Table 2.- Durum and other spring wheat: Seeded acreage, yield per acre, and production, 1940-44 1/

Year	Durum 2/			Other spring		
	Acreage	Yield	Production	Acreage	Yield	Production
	1,000 acres	Bushels	1,000 Bushels	1,000 acres	Bushels	1,000 Bushels
1940	3,371	9.9	33,479	14,914	12.7	189,614
1941	2,598	16.0	41.653	14,063	16.4	230,765
1942	2,155	20.7	44,660	12,000	19.4	233,056
1943	2,189	16.5	36,204	15,086	17.9	270,433
1944 3/	2,256			17,549		

1/ Data 1929-39, in The Wheat Situation, March-April 1943, page 11.
2/ Figures on durum apply to three States only -- Minnesota, North Dakota, and South Dakota. Durum production in other States is not important and figures are included with "other spring."
3/ Prospective plantings.

Table 3.- Spring wheat: Seeded acreage by areas, average 1933-42, annual 1941-44

Area	Average 1933-42	1941	1942	1943	1944 prospective plantings	1944 above 1943
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Spring wheat other than durum:						
Mont., N.D., S.D., and Minn.	14,274	12,361	10,783	12,850	15,252	2,402
Wash., Oreg., and Idaho	1,748	971	690	1,711	1,727	16
Colo., Nebr., and Wyo.	829	467	318	329	356	27
All other States	308	264	209	196	214	18
Total	17,159	14,063	12,000	15,086	17,549	2,463
Durum wheat 1/	2,924	2,598	2,155	2,189	2,256	67
Total all spring	20,083	16,661	14,155	17,275	19,805	2,530

1/ Figures for durum represent three States only -- Minnesota, North Dakota, and South Dakota. Durum production in other States is unimportant and figures are included with "other spring" wheat.

Table 4.- Wheat: Estimated supply and distribution in continental United States, 1930-43

Year beginning July	Supply: Stocks July 1	Supply: Production	Supply: Imports 1/	Supply: Total	Disappearance: Food	Disappearance: Feed	Disappearance: Other	Disappearance: Total disappearance	Stocks June 30	Per capita consumption as food
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Bu.
1930	291.1	886.5	0.4	1,178.0	489.6	179.7	196.2	865.5	312.5	3.96
1931	312.5	941.5	0.0	1,254.0	482.8	190.2	205.7	878.7	375.3	3.88
1932	375.3	756.3	0.0	1,131.6	492.4	143.1	118.4	753.9	377.7	3.93
1933	377.7	552.2	0.2	930.1	448.4	102.6	106.2	657.2	272.9	3.56
1934	272.9	526.0	15.6	814.5	459.1	113.6	95.9	668.6	145.9	3.62
1935	145.9	628.2	34.6	808.7	474.5	99.1	94.7	668.3	140.4	3.72
1936	140.4	629.9	34.5	804.8	480.4	112.7	108.9	702.0	102.8	3.74
1937	83.2	873.9	0.6	957.7	477.3	129.8	197.5	804.6	153.1	3.69
1938	153.1	919.9	0.3	1,073.3	485.2	153.1	185.0	823.3	250.0	3.72
1939	250.0	741.2	0.3	991.5	482.4	108.2	121.2	711.8	279.7	3.67
1940	279.7	813.3	3.5	1,096.5	485.9	114.0	111.7	711.6	384.9	3.66
1941	384.9	943.1	2/	3/1,328.0	489.5	111.8	94.9	696.2	631.8	3.65
1942	631.8	974.2	2/	3/1,606.0	526.0	312.0	151.7	989.7	616.3	3.91
1943	616.3	836.3	125.0	1,577.6						

1/ Excludes imports of wheat for milling in bond and export as flour. 2/ No data published after September 1941 due to war emergency. 3/ Excluding imports.

Table 5.- Wheat: Sales, average price per bushel, and cash income, United States, 1930-43 1/

Calendar year	Sales	Average price per bushel 2/	Cash income
	1,000 bushels	Dollars	1,000 dollars
1930	618,940	.73	451,447
1931	635,797	.42	265,723
1932	543,186	.37	199,757
1933	468,067	.65	304,030
1934	387,998	.82	316,725
1935	451,430	.82	372,178
1936	465,736	.97	450,859
1937	586,109	1.03	604,910
1938	666,272	.60	400,538
1939	703,087	.62	432,586
1940	620,692	.69	428,341
1941	756,821	.91	686,990
1942	782,925	1.07	837,453
1943 3/	653,464	1.26	825,389

1/ Data for 1910 to 1929 in The Wheat Situation, February 1942. 2/ Weighted by sales in each State. 3/ Tentative.

Table 6.- Cash income from wheat in 1943 compared with the income in 1940-42, by regions, and for the United States 1/

Wheat States	Income in 1943 as a percentage of income in		
	1940	1941	1942
	Percent	Percent	Percent
Hard red winter	227	134	89
Hard red spring and durum	215	145	120
Soft red winter	111	68	89
Western	214	105	95
United States	195	120	99

1/ Data on United States sales, prices, and cash income, 1930-42, are shown in table 5.

Table 7.- Wheat: Weighted average cash price, specified markets and dates, 1943 and 1944

Month and date	All classes: and grades: six markets		No. 2 Hard Winter: Kansas City		No. 1 Dk.N.Spring: Minneapolis		No. 2 Hard Amber Durum: Minneapolis		No. 2 Red Winter: St. Louis		Soft White Portland 1/	
	1943	1944	1943	1944	1943	1944	1943	1944	1943	1944	1943	1944
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month-												
Jan.	136.2	166.0	136.8	164.8	139.0	167.0	139.9	166.0	153.5	---	124.4	150.6
Feb.	138.0	165.3	137.0	163.0	143.0	167.4	143.9	164.2	155.1	---	124.8	150.1
Week ended-												
Feb. 5	137.0	166.4	136.4	163.8	140.8	167.7	142.5	167.7	155.5	---	124.7	150.9
12	136.8	165.9	136.2	162.8	140.9	168.2	142.7	164.5	---	---	124.0	151.0
19	138.4	165.3	137.4	162.6	141.3	167.1	144.0	163.8	---	---	124.9	149.8
26	139.5	164.5	138.4	163.3	143.3	166.0	145.6	163.0	161.8	---	125.4	149.0
Mar. 4	143.5	164.6	141.6	164.4	146.9	165.9	147.4	162.1	---	---	125.8	149.0
11	141.9	164.9	140.8	165.1	144.3	166.2	146.0	163.1	---	---	125.4	147.8
18	139.5	165.2	138.6	165.6	141.4	166.4	144.8	164.0	---	---	125.2	146.8
25	140.5	166.3	138.9	165.6	143.0	167.5	145.9	165.9	---	---	125.4	147.8

1/ Weekly average of daily cash quotations.

Table 8.- Wheat: Average closing price of May wheat futures, specified markets and dates, 1943-44

Period	Winnipeg 1/	Chicago		Kansas City		Minneapolis	
	1943	1943	1944	1943	1944	1943	1944
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month -							
Jan.	84.4	139.6	170.9	133.9	161.7	134.0	162.1
Feb.	83.7	141.2	170.1	139.4	160.8	135.1	160.4
Week ended-							
Feb. 5	84.0	139.8	170.9	133.8	161.7	133.9	161.7
12	83.8	139.8	170.4	133.8	161.1	133.9	160.5
19	83.6	141.5	169.2	135.0	159.8	135.2	159.3
23	83.4	144.1	170.2	137.1	160.6	137.7	159.7
Mar. 4	84.1	148.0	170.8	140.4	161.4	141.1	162.0
11	87.9	146.2	171.0	138.4	161.7	138.8	162.2
18	90.2	145.1	171.7	137.4	162.3	138.2	163.4
25	91.8	145.1	173.1	137.4	163.4	138.5	165.2

1/ Conversions at official rate, which is 90.909 cents. Any United States buyer of Canadian grain would be required to make settlement in terms of United States dollars through an agent of the Canadian Foreign Exchange Control Board at the official rate. Trading suspended at close of September 27, 1943, price of December futures 120 cents Canadian funds, 109.1 cents United States funds.

Table 9.- Wheat: Prices per bushel in four exporting countries, Friday nearest midmonth, January-March 1944 and weekly February-March 1944

Date (Friday)	Hard wheat		Hard and semi-hard wheat		Soft wheat	
	United States	Canada	United States	Argentina	United States	Australia
	No. 1 D. N. Sp. 15 pct. protein Buffalo c.i.f.	No. 1 Manitoba St. John f.o.b. 1/	No. 1 D. H. W. Galveston f.o.b. 2/	Rosafe f.o.b. 3/	No. 1 Portland f.o.b.	F.o.b. 4/
	Cents	Cents	Cents	Cents	Cents	Cents
Friday, midmonth						
Jan. 14 5/	184.3	128.4	178.5	81.3	151.0	84.5
Feb. 18 ...	184.3	129.1	178.5	81.6	150.0	85.5
Mar. 17 ...	183.0	129.5	178.5	82.3	147.0	85.5
Weekly						
Feb. 4 ...	184.3	128.9	178.5	82.6	151.0	84.5
11 ...	184.3	128.9	178.5	82.3	151.0	85.7
25 ...	183.6	129.1	178.5	81.6	149.0	85.5
Mar. 3 ...	183.8	129.3	178.5	81.3	149.0	85.5
10 ...	183.8	129.3	178.5	83.5	147.0	85.5
24 ...	181.4	129.5	178.5	80.7	148.0	85.5

Current average farm prices are less than quotation about as follows: 1/ Canada 31 cents, 2/ United States 30 cents, 3/ Argentina 13 cents, and 4/ Australia 10 cents. 5/ Midmonth prices January 1942-October 1943, published in The Wheat Situation, September 1942 and subsequent issues.

THE RYE SITUATION

Rye Use Large; Carry-Over May be About 25 Million Bushels

Rye disappearance in 1943-44, estimated at about 53 million bushels, is the largest on record. This is made up approximately as follows, in million bushels (table 10): 11-1/2 for food, 28 for feed, 7-1/2 for seed, and 8 for alcohol. Total supply in 1943-44 is expected to be about 78 million bushels, consisting of beginning stocks of 42 million bushels, production 31 million, and possible imports of 5 million. These supply and disappearance figures indicate a carry-over (commercial stocks July 1 and farm stocks June 1) of about 25 million bushels at the end of the 1943-44 year.

The first official indication of rye production will be issued May 10. Condition last December indicated a crop below the 31 million bushels produced in 1943. With prospective carry-over and probable imports, total supplies might be between 55 and 60 million bushels, which would satisfy all likely domestic requirements in 1944-45. Very heavy feeding, however, would materially reduce stocks by July 1945.

Table 10.- Rye: Supply and distribution, United States, 1934-43

Year beginning July	Stocks July 1 1/	Production	Imports	Total supply	Domestic disappearance					Exports
					Food 2/	Feed 2/	Seed	Spirits and alcohol	Total	
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
1934	15.4	16.3	11.2	42.9	5.9	6.2	9.4	10.2	31.7	3/
1935	11.2	56.9	2.3	70.4	5.9	20.5	9.5	12.8	48.7	3/
1936	21.7	24.2	3.9	49.8	9.8	11.6	10.9	11.6	43.9	0.2
1937	5.7	48.9	3/	54.6	6.7	15.9	9.9	6.0	38.5	6.6
1938	9.5	56.0	3/	65.5	6.1	19.2	10.5	5.5	41.3	0.8
1939	23.4	38.6	3/	62.0	9.8	17.3	8.1	5.6	40.8	0.7
1940	20.5	40.0	1.4	61.9	8.6	16.6	8.2	6.7	40.1	0.2
1941	21.6	45.4	4/	5/67.0	11.3	5/ 9.6	8.4	6.9	36.2	3/
1942	30.8	57.7	4/	5/88.5	11.3	5/25.1	7.7	2.0	46.1	3/
1943 6/	42.4	30.8	5.0	78.2	11.5	25.6	7.6	8.0	52.7	3/

1/ Commercial stocks July 1 plus farm stocks June 1; latter are available only since 1934. Stocks in interior mills and elevators and in merchant mills not included; reported for only 1943, in which year they were 8.5 million bushels.
2/ Estimated.
3/ Less than 50,000 bushels.
4/ Publication restricted.
5/ Total supply and feed use excludes imports.
6/ Preliminary.

Table 11.- Rye, No. 2: Weighted average price per bushel of reported cash sales, Minneapolis, by months, 1933-43 1/

Year beginning July	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Wtd. av.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1933	83.5	72.3	71.3	62.3	62.3	59.9	63.7	61.1	59.2	57.2	59.8	68.7	68.5
1934	73.7	89.3	86.7	75.7	76.0	80.4	76.2	68.7	61.2	61.5	54.3	46.3	81.0
1935	48.1	45.0	46.5	51.9	48.6	49.0	53.5	56.9	52.1	49.7	51.7	58.2	50.2
1936	75.0	82.5	86.7	85.1	91.6	109.9	113.2	110.6	109.0	112.4	108.9	99.5	97.2
1937	85.2	77.3	77.9	74.0	68.5	69.8	75.9	74.4	66.9	61.0	58.0	55.5	73.8
1938	48.4	40.8	40.5	41.5	40.2	42.9	46.1	45.2	43.1	43.1	50.9	50.0	43.9
1939	43.1	41.7	52.7	52.1	51.0	66.9	70.3	66.5	66.5	69.5	58.8	44.9	55.9
1940	43.9	41.2	43.6	47.8	50.2	50.0	52.6	50.2	52.4	56.5	58.1	56.6	50.8
1941	54.9	61.7	67.8	60.0	64.1	67.8	80.3	78.1	75.5	71.8	69.3	60.3	65.1
1942	60.6	58.8	64.6	59.1	59.3	70.3	74.7	79.2	82.9	80.9	87.2	94.1	73.4
1943	101.2	95.4	101.4	108.5	111.0	120.2	127.0	122.5					

Compiled from Minneapolis Dairy Market Record. Average of daily prices weighted by carlot sales.
1/ Prices for 1915-32 in The Wheat Situation, June 1937, page 18.

Table 12.- Rye: Average price per bushel received by farmers, United States, 1933-43 1/

Year beginning July	July 15	Aug. 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15	Crop year average
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1933	78.2	58.8	61.4	52.7	55.4	51.9	53.6	54.2	53.1	52.8	51.9	58.2	62.8
1934	61.8	73.9	79.1	75.0	71.9	74.4	73.1	69.3	66.5	66.0	62.0	53.7	72.0
1935	36.0	35.5	36.5	42.1	40.4	40.0	41.4	44.4	42.9	40.8	40.6	43.8	39.8
1936	61.1	75.1	79.5	80.4	81.5	90.0	97.9	98.9	95.8	99.9	96.0	85.3	81.2
1937	81.0	70.6	68.1	63.8	60.8	59.2	64.1	63.4	58.7	52.2	49.8	46.0	68.6
1938	41.4	32.4	32.0	32.9	32.1	32.3	34.7	33.9	32.9	33.0	36.4	39.1	33.8
1939	34.3	34.2	44.0	45.1	44.6	52.3	56.7	55.7	55.6	57.1	52.4	40.3	43.9
1940	38.3	36.8	38.3	40.5	42.8	41.3	43.6	41.2	43.1	46.5	48.1	47.1	41.9
1941	46.4	49.4	57.3	51.3	54.2	57.8	65.2	66.0	64.3	60.7	59.4	52.4	53.9
1942	51.3	49.2	55.2	52.9	50.4	56.3	61.3	64.1	68.9	69.5	71.9	79.7	59.8
1943	90.9	88.4	94.9	101.0	102.0	107.0	111.0	111.0	111.0				2/97.0

Based on returns from special price reporters. Monthly prices, by States, weighted by production to obtain a price for the United States; average for the year obtained by weighting State price averages for the crop marketing season.
1/ Prices for 1908-32 in The Wheat Situation, February 1940, page. 28.
2/ Preliminary.

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